| 1<br>2<br>3<br>4<br>5<br>6 | VITO A. COSTANZO (SBN 132754) STACEY H. WANG (SBN 245195) HOLLAND & KNIGHT LLP 400 South Hope Street, 8th Floor Los Angeles, California 90071 Tel: 213.896.2400 Fax: 213.896.2450 vito.costanzo@hklaw.com stacey.wang@hklaw.com  Attorneys for Plaintiff Hasbro Studios LLC |                                  |  |
|----------------------------|---|----------------------------------|--|
| 8                          | UNITED STATES DISTRICT COURT  |                                  |  |
| 9                          | CENTRAL DISTRICT OF CALIFORNIA  |                                  |  |
| 10                         |   |                                  |  |
| 11                         | HASBRO STUDIOS LLC, a )<br>Delaware limited liability company, )  | CASE NO.                         |  |
| 12                         | Plaintiff,  |                                  |  |
| 13                         | vs.   | COMPLAINT FOR BREACH OF CONTRACT |  |
| 14                         | A PARENT MEDIA CO. INC., a foreign corporation,   | DEMAND FOR JURY TRIAL            |  |
| 15                         | )   |                                  |  |
| 16                         | Defendant.  |                                  |  |
| 17                         | }   |                                  |  |
| 18                         | The plaintiff, Hasbro Studios LLC ("Hasbro"), brings this action against the  |                                  |  |
| 19<br>20                   | defendant, A Parent Media Co. Inc. ("APMC"), and alleges as follows:  |                                  |  |
| 21                         | PARTIES   |                                  |  |
| 22                         | 1. Hasbro is a Delaware limited liability company with principal places   |                                  |  |
| 23                         | of business in Burbank, California and Pawtucket, Rhode Island.   |                                  |  |
| 24                         | 2. On information and belief, APMC is a corporation organized and   |                                  |  |
| 25                         | existing under the laws of the Province of Alberta, Canada with its principal place   |                                  |  |
| 26                         | of business in Calgary, Alberta, Canada.  |                                  |  |
| 27                         | ///   |                                  |  |
| 28                         | ///   |                                  |  |
|                            |   | 1                                |  |

# JURISDICTION AND VENUE

- 3. This Court has subject-matter jurisdiction over this matter pursuant to 28 U.S.C. §§ 1332(a).
- 4. This Court has personal jurisdiction over APMC by virtue of APMC's transacting, doing, and soliciting business in this District, and because APMC's actions giving rise to this matter were directed at this District and caused injury to Hasbro in this district.
  - 5. Venue is proper in this Court pursuant to 28 U.S.C. § 1391(b)(2).

#### **FACTS**

#### **Background**

- 6. Hasbro is a leading producer of entertainment media for children. Hasbro produces well-known children's television series, such as My Little Pony: Friendship is Magic, Transformers, and G.I. Joe Renegades. Hasbro distributes this children's entertainment content throughout the United States and Canada.
- 7. On information and belief, APMC owns and operates Kidoodle.tv, a video application for children featuring an on-demand subscription streaming service containing child-friendly television and movie programming. Kidoodle.tv charges its customers a regular, recurring payment for the ability to receive and view the content it provides.

### **The License Agreement**

8. On September 14, 2012, Hasbro and APMC entered into an agreement, whereby Hasbro granted APMC nonexclusive rights to utilize certain of Hasbro's children's entertainment media (the "Licensed Titles") on its subscription streaming service, Kidoodle.tv. This agreement was memorialized in a written agreement, and subsequently amended in writing three times thereafter (the "License Agreement"). A true and accurate copy of the License Agreement is attached hereto as Exhibit A.

- 9. Pursuant to Section 3 of the License Agreement, APMC's use of the Licensed Titles was subject to APMC's agreement to pay Hasbro license fees in accordance with the fee table and schedule set forth therein.
- 10. Pursuant to Amendment No. 3 of the License Agreement, APMC agreed to pay Hasbro license fees in accordance with the following schedule:

| Due Date          | Payment Due    |
|-------------------|----------------|
| December 18, 2013 | \$100,000.00   |
| December 31, 2013 | \$900,000.00   |
| June 30, 2014     | \$1,165,907.00 |
| December 31, 2014 | \$1,165,907.00 |
| June 30, 2015     | \$1,165,909.00 |
| TOTAL             | \$4,497,723.00 |

- 11. Upon information and belief, APMC made the Licensed Titles available to its subscription users on Kidoodle.tv during the term of the License Agreement.
  - 12. The License Agreement expired by its terms on December 31, 2015.

## **APMC's Nonpayment of License Fees**

- 13. Despite the fee schedule set forth in the License Agreement, to date, APMC has only paid Hasbro a total of \$1,000,000 in license fees. As such, APMC has failed to pay \$3,497,723.00 in license fees owed to it under the License Agreement.
- 14. In a good faith effort to resolve their dispute, on December 23, 2015, Hasbro sent a letter to APMC notifying it of the non-payment and demanding payment in full within thirty days. APMC has since failed to make any additional payment to Hasbro.

1 **FIRST CAUSE OF ACTION** (Breach of Contract) 2 Hasbro repeats and restates its answers to paragraphs 1 through 14 as 3 15. if set forth fully herein. 4 The License Agreement is a valid and enforceable contract between 5 16. Hasbro and APMC. 6 Hasbro has performed all obligations to be performed under the 7 License Agreement. 8 9 18. APMC breached the License Agreement by, among other things, failing to pay Hasbro license fees at the time they were due or at any time 10 11 thereafter. As a direct and proximate result of APMC's breach of its obligations 12 19. under the License Agreement, Hasbro has been damaged in the amount of 13 \$3,497,723, plus interest and incidental and consequential damages in an amount 14 15 to be determined at trial. 16 17 **PRAYER FOR RELIEF** WHEREFORE, Hasbro respectfully requests that the Court enter judgment 18 for Hasbro and against APMC, and: 19 Award Hasbro compensatory damages as a result of APMC's 20 21 conduct alleged herein; 22 23 24 25 26 /// 27 28 ///

| 1          | b. Grant Hasbr   | o such other and further relief as the Court deems |  |
|------------|--|--|--|
| 2          | just and proper.   |  |  |
| 3          |  |  |  |
| 4          | Dated: April 6, 2016   | Respectfully submitted,                            |  |
| 5          |  | HOLLAND & KNIGHT LLP                               |  |
| 6          |  |  |  |
| 7          |  | By: /s/ Vito A. Costanzo                           |  |
| 8          |  | Vito A. Costanzo                                   |  |
| 9          |  | Attorneys for Plaintiff                            |  |
| 10         |  | HASBRO STUDIOS LLC                                 |  |
| 12         |  |  |  |
| 13         |  |  |  |
| 14         | DEMAND FOR JURY TRIAL  Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Hasbro respectfully demands a trial by jury on all issues so triable. |  |  |
| 15         |  |  |  |
| 16         |  |  |  |
| 17         | DATED: April 6, 2016   | Respectfully submitted,                            |  |
| 18         |  | HOLLAND & KNIGHT LLP                               |  |
| 19         |  |  |  |
| 20         |  |  |  |
| 21         |  | By: /s/ Vito A. Costanzo Vito A. Costanzo          |  |
| 22  <br>23 |  | Attorneys for Plaintiff                            |  |
| 24         |  | HASBRO STUDIOS LLC                                 |  |
| 25         | #38932041_v1   |  |  |
| 26         |  |  |  |
| 27         |  |  |  |
| 28         |  |  |  |
|            |  | 5  |  |
|            | COMPLAINT FOR BREACH OF CONTRACT   |  |  |